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Item 68 (c) of the provisional agenda*
Review and implementation of the Concluding Document of the Twelfth Special Session of the General Assembly: regional confidence-building measures: activities of the United Nations Standing Advisory Committee on Security Questions in Central Africa

Security Council
Fifty-seventh year

Letter dated 5 September 2002 from the Chargé d'affaires a.i. of the Permanent Mission of the Central African Republic to the United Nations addressed to the Secretary-General

I have the honour to transmit to you herewith the report of the eighteenth ministerial meeting of the United Nations Standing Advisory Committee on Security Questions in Central Africa, which was held from 26 to 30 August 2002 in Bangui, Central African Republic.

The meeting made important recommendations and decided to hold the nineteenth ministerial meeting in Bangui in March 2003, on dates to be determined.

On behalf of the current Chairman of the Committee, I attach herewith the report that was adopted at the conclusion of the meeting (see annex).

I should be grateful if you would have this letter and its annex circulated as a document of the General Assembly, under item 68 (c) of the provisional agenda, and of the Security Council.

(*Signed*) Fernand **Poukré-Kono**
Chargé d'affaires a.i.

* A/57/150.

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Annex to the letter dated 5 September 2002 from the Chargé d'affaires a.i. of the Permanent Mission of the Central African Republic to the United Nations addressed to the Secretary-General

Report of the eighteenth ministerial meeting of the United Nations Standing Advisory Committee on Security Questions in Central Africa

(Bangui, 26-30 August 2002)

Introduction

The eighteenth ministerial meeting of the United Nations Standing Advisory Committee on Security Questions in Central Africa was held in Bangui, Central African Republic, from 26 to 30 August 2002.

The following member States took part in the meeting: Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Rwanda and Sao Tome and Principe.

Angola did not attend.

Representatives of the Secretary-General of the United Nations, the Interim Chairman of the Commission of the African Union and the Secretary-General of the Economic Community of Central African States (ECCAS) also participated in the work.

The opening ceremony featured:

- A message from the Secretary-General of the United Nations, read by the Representative of the Secretary-General in the Central African Republic, General Lamine Cissé;
- A message from the Interim Chairman of the Commission of the African Union read by Ambassador Mamadi Diawara, Senior Political Advisor to the African Union;
- A message from the Secretary-General of ECCAS, read by Colonel Stanislas Hakizimana, Advisor to ECCAS.
- The opening and closing addresses by H.E. Mr. Gabriel Edouard Koyambonou, Minister of State for Posts, Telecommunications, Culture and la Francophonie.

Conduct of work

I. Adoption of the agenda

The Committee adopted the following agenda:

1. Adoption of the agenda.
2. Election of the Bureau.
3. Report of the outgoing Bureau by its Chairman.
4. Review of the geopolitical and security situation in Central Africa.
5. Intergovernmental cooperation in security matters in Central Africa.
6. Evaluation of the implementation of the previous decisions and recommendations of the Advisory Committee.
   (a) Establishment of the Council for Peace and Security in Central Africa (COPAX);
   (b) Organization of the military peacekeeping exercise "Biyongho 2003";
   (c) Establishment of a subregional parliament;
   (d) Activities of the Subregional Centre for Human Rights and Democracy in Central Africa;
   (e) Evaluation of the implementation of the recommendations of the Subregional Conference on the Proliferation of and Illicit Traffic in Small Arms in Central Africa;
   (f) Evaluation of the implementation of the recommendations of the Subregional Conference on the

Question of Refugees and Displaced Persons in Central Africa;

(g) Evaluation of the implementation of the recommendations of the Subregional Conference on the Protection of Women and Children in Armed Conflicts.

7. Briefing on the regional consultation on "Equality and development: participation of women in Central Africa".

8. Adoption of the Committee's programme of work for the period 2002-2003.

9. Consideration and adoption of the draft resolution on the activities of the Advisory Committee.

10. Date of the next meeting.

11. Other matters.

12. Adoption of the report of the eighteenth ministerial meeting.

II. Election of the Bureau

At the start of the ministerial session's work, the Committee elected the following Bureau:

Chairman: Central African Republic

First Vice-Chairman: Equatorial Guinea

Second Vice-Chairman: the Congo

Rapporteur: Sao Tome and Principe

III. Report of the outgoing Bureau by its Chairman

The Committee took note of the report of the outgoing Bureau presented by H.E. Mr. Leonard She Okitundu, Minister for Foreign Affairs and International Cooperation of the Democratic Republic of the Congo.

The Committee welcomed the energetic and effective way in which the Bureau had discharged the mandates entrusted to it by the sixteenth and seventeenth ministerial meetings, with regard to the:

- Organization in Kinshasa of the Subregional Conference on the Protection of Women and Children in Armed Conflicts in Central Africa;
- Organization of the meeting of chiefs of staff in Libreville to review the Biyongho exercise;
- Raising of awareness in the countries of the subregion about the importance of signing and ratifying the Mutual Assistance Pact and the Protocol on the Council for Peace and Security in Central Africa (COPAX);
- Organization of the seventeenth and eighteenth ministerial meetings;
- Steps taken to launch the activities of the Subregional Centre for Human Rights and Democracy in Central Africa; and
- Commemoration of the tenth anniversary of the Advisory Committee.

IV. Review of the geopolitical and security situation in Central Africa

Angola

The Committee welcomed the positive development of the situation in Angola, in particular, the signature on 4 April 2002 of the Memorandum of Understanding Addendum to the Lusaka Protocol for the Cessation of Hostilities and the Resolution of the Outstanding Military Issues.

The Committee commended the Angolan Government on its laudable efforts to create conditions that are conducive to the resumption of the peace process and to national reconciliation and reconstruction.

The Committee expressed concern at the humanitarian situation in Angola, in particular:

- The existence of a large number of displaced persons facing malnutrition and poor health coverage;
- The tragic deterioration of living conditions of the population in zones which are difficult to access.

It commended the Angolan Government's efforts to provide assistance to the displaced populations and encouraged the Government to continue the

rehabilitation of infrastructure, dismantling of transit camps, resettlement of displaced persons and delivery of humanitarian aid.

The Committee welcomed the establishment by a Security Council resolution of 15 August 2002 of the United Nations Mission in Angola (UNMA) to, inter alia, assist the parties in concluding the Lusaka Protocol and the Angolan Government in undertaking the following tasks:

- Promotion of human rights;
- Landmine clearance;
- Delivery of humanitarian assistance to vulnerable groups;
- Support for social and professional reintegration of demobilized soldiers;
- Promotion of economic recovery and preparation of elections.

The Committee appealed to the international community to substantially increase aid to the Angolan Government to ease the suffering of its people who have been the victims of war, and to support the peace process. It proposed that activities aimed at the consolidation of peace, such as the demobilization and reintegration of former combatants, reconstruction and economic revival, should continue to receive priority attention.

Burundi

The Committee expressed its deep concern at the deterioration of living conditions of the people of Burundi and the pervasive insecurity caused by the continued attacks against the civilian population and economic infrastructure by armed groups.

It hailed the efforts of the mediation team and some Heads of State to obtain a ceasefire and restore peace to Burundi, and encouraged the latter to continue those efforts in the context of the Arusha peace process.

It welcomed the progressive establishment of transitional institutions and expressed its support for the efforts of the Burundian Government and all Burundians engaged in the search for a lasting peace.

It invited the countries of the Central African subregion, particularly those of the Great Lakes subregion, to put pressure on the armed groups to conclude a ceasefire agreement, help the Burundians restore peace through dialogue and reconciliation and refrain from providing any direct or indirect assistance to the rebels.

The Committee addressed an urgent appeal to all armed movements to immediately cease hostilities and join in the Arusha peace process and in good faith engage in negotiations for a total and early ceasefire.

It urged all the Burundian parties to promote national reconciliation and work towards the restoration of peace in Burundi in order to permit the full implementation of the Arusha Peace and Reconciliation Agreement for Burundi.

The Committee urgently appealed to the international community and in particular to bilateral and multilateral donors to provide substantial support for the peace efforts and the improvement of living conditions for the people of Burundi, especially through effective implementation of commitments made in Paris and Geneva at donor conferences on Burundi.

Cameroon

The Committee paid tribute to the climate of peace and stability in Cameroon.

It welcomed:

- The peaceful conduct of the municipal and legislative elections;
- The Cameroonian Government's efforts to continue its campaign against corruption, crime and organized crime and to consolidate the gains in respect of human rights;
- The Government of Cameroon's policy of good-neighbourliness towards the other countries of the subregion.

The Committee took note of the information provided by the Cameroonian delegation on the Bakassi affair and again invited the two parties to refrain from any action that could heighten tension, pending the decision of the International Court of Justice, which Cameroon had seized of the matter relating to the land and maritime boundary between the Republic of Cameroon and the Federal Republic of Nigeria.

The Committee, in addition to reiterating its appeal to the international community and friendly countries to assist in maintaining peace between Cameroon and Nigeria while awaiting the verdict of the International Court of Justice, requested the Court to take the necessary steps to ensure a rapid conclusion of the proceedings pending before it.

The Committee again urged Nigeria to comply strictly with the interim measures of protection laid down by the Court in its ruling of 15 March 1996 and called upon the two parties to refrain from taking any action that could create difficulties for the application of the final judgment of the Court.

The Committee invited the two countries to respect the verdict of the Court, whatever it might be, and welcomed the commitments undertaken by Cameroon in that regard.

Central African Republic

The Committee welcomed the positive developments in the political and security situation in the Central African Republic after the series of national crises that followed the attempted coup d'état on 28 May 2001, the rebellion led by the former Chief of Staff of the Central African armed forces, General Bozizé in November 2001, and the flare up of tensions on the borders between the Central African Republic and some of its neighbours.

It welcomed the return to calm in that country characterized by ongoing political dialogue between the Government and opposition and the gradual return of civilian and military refugees. It noted with satisfaction the efforts made by the Central African Government to improve the security situation and encouraged it to complete the process of disarmament and restructuring of the armed forces.

It, however, expressed its concern at the precariousness of the general security situation, in particular because of the proliferation of light weapons, the activities of gangsters and bands which set up roadblocks, the question of the military refugees who have returned to the country, and continuing tensions on the border with Chad.

The Committee was also concerned at the economic and financial difficulties facing the Central African Republic, which were manifested in particular by delays in the payment of salaries, pensions and student stipends, and difficulties in implementing the armed forces restructuring programme.

It also deplored the fact that the Central African Republic still lacked a formal cooperation programme with the Bretton Woods institutions and had received no budgetary assistance since January 2001. It thus reiterated its urgent appeal to the international community and the Bretton Woods institutions to provide the Central African Republic with the essential financial support to allow it to resolve its serious financial problems, a sine qua non for peace and development.

The Committee recalled that the prime responsibility for improving the situation in the Central African Republic rested with that country's sons and daughters and, in particular, with its political leaders. The Committee urged political leaders to place greater emphasis on dialogue, tolerance, national reconciliation, respect for human rights, democratically elected institutions and constitutional order in order to secure effective national reconstruction.

The Committee welcomed the meeting of the mixed commission on cooperation between the Central African Republic and Cameroon from 2 to 4 May 2002 at Bangui, which helped to strengthen cooperation between the two countries and to settle the issue of the demarcation and placement of boundary markers along their common border.

The Committee expressed its concern at the bloody incidents that occurred on the border between Chad and the Central African Republic and welcomed the fact that a verification and evaluation mission, comprised of the Central African Economic and Monetary Community (CAEMC), the African Union and the United Nations, has been sent to the field to help bring about a permanent settlement of the dispute and the normalization of relations between the two countries.

Republic of the Congo

The Committee welcomed the positive developments in the general situation in the Congo, characterized, since the establishment of an inclusive national dialogue, by an improvement in the general conditions of peace and security, the gradual return of refugees and displaced persons, the continuing collection of military weapons, demobilization and

reintegration of former combatants, and the holding of general elections without incident.

It took note of the end of the transition period on 9 August 2002 and welcomed the establishment of institutions as a result of the various elections, beginning with the installation of the two houses of Parliament and the inauguration of the President-elect H.E. Mr. Denis Sassou Nguesso. It commended the determination of the new Government to fight corruption and to promote socio-economic development.

The Committee was nevertheless troubled by the recent terrorist acts carried out in the Pool region and on the outskirts of Brazzaville by armed bands, which were endangering the peace re-established after so many years of fratricidal clashes that had left many families bereft and caused considerable destruction.

It also expressed concern at the financial difficulties encountered by the programmes for the collection of weapons and reintegration of former combatants, as well as the difficulties encountered by refugees and displaced persons. It therefore appealed urgently to the international community to provide assistance to the Congo to enable it to face all these challenges and to ensure the restoration of a lasting peace and conditions conducive to the country's harmonious development.

Democratic Republic of the Congo

The Committee once again took note of the fundamental concerns of the Government and people of the Democratic Republic of the Congo:

- Serious human rights violations in the country, in particular the recent massacres at Kisangani and Bunia;
- The need for prompt demilitarization of Kisangani;
- Continued infringements of the national sovereignty and territorial integrity of the Democratic Republic of the Congo;
- Continued combat involving rebel forces and other armed groups in the east and north-east of the country, clashes between ethnic groups, the deteriorating humanitarian situation and troop movements in the east of the country, in violation of the Lusaka Ceasefire Agreement, the Kampala plan and the Harare sub-plan;
- The continued systematic plundering and unlawful exploitation of natural resources and other riches in the occupied part of the Democratic Republic of the Congo.

The Committee appeals to all the parties to respect fully the relevant Security Council resolutions on the conflict in the Democratic Republic of the Congo.

It welcomed the continuation of contacts with all Congolese parties under the mediation of the Special Envoy of the Secretary-General, Mr. Moustapha Niasse, aimed at reaching an inclusive agreement.

It also welcomed the meetings between the Presidents of the Democratic Republic of the Congo and Rwanda in South Africa and the signing in Pretoria on 30 July 2002 by the two Heads of State of a peace agreement generally hailed as a sign of significant progress towards a lasting settlement of the conflict in the Democratic Republic of the Congo.

It appeals to the international community for assistance in the implementation of this peace agreement, especially in the areas of disarmament, demobilization, repatriation, resettlement and reintegration of armed groups and the total and orderly withdrawal of all foreign troops in the Democratic Republic of the Congo.

It urges those parties which have not yet done so to complete their withdrawal to the new defensive positions in accordance with the Kampala plan and the Harare sub-plans for disengagement and redeployment.

Finally, the Committee urgently appeals to the international community to continue its support for the peace process in the Democratic Republic of the Congo, to provide substantial assistance to the people affected by the war, as the deterioration in their living conditions is a matter of serious concern, and to respond generously to the worldwide appeal on behalf of the Democratic Republic of the Congo for 2002 launched on 27 November 2001 by the United Nations and its humanitarian partners. It also urges all parties to take the necessary measures to allow humanitarian organizations secure and unimpeded access to the people in need.

Gabon

The Committee noted with appreciation the climate of peace and political stability in Gabon and took note of the recent political dialogue between the majority and the opposition held with a view to consolidating democracy in the country.

With reference to the special recommendations of the seventeenth ministerial meeting held at Kinshasa from 22 to 26 April 2002, the Committee reiterated the need to follow up on the elaboration of a subregional convention on trafficking and exploitation of children.

Equatorial Guinea

The Committee welcomed the climate of peace and stability prevailing in Equatorial Guinea. It noted with satisfaction the continuation of the democratic process in Equatorial Guinea.

In this context, and after consultations among the country's legalized and recognized political parties, a presidential decree on voter registration was promulgated on 14 August 2002 with a view to holding presidential elections during the first half of 2003, in accordance with the applicable legislation.

Rwanda

The Committee welcomed the prevailing climate of peace and stability in Rwanda.

It welcomed the recent signing of a peace agreement between the Heads of State of Rwanda and the Democratic Republic of the Congo, which offered hope that the conflict between the two countries will soon be resolved.

It appealed to the two countries to implement in good faith the commitments made in that Agreement.

The Committee hailed the arrest of perpetrators of the Rwandan genocide by some States in the subregion and urgently appealed to the other States of the subregion to do likewise so that those guilty of acts of genocide in Rwanda could be punished.

The Committee took note of the statement by Rwanda reporting the completion of the withdrawal of its troops to the new defensive positions assigned to them in the Democratic Republic of the Congo.

Sao Tome and Principe

The Committee welcomed the climate of peace and stability in Sao Tome and Principe and the strengthening of the democratic process. It also welcomed the good-neighbour policy of the Government of Sao Tome and Principe towards the countries of the subregion.

Chad

The Committee welcomed the continuing democratic process in Chad and the normal functioning of its institutions.

It encouraged the Chadian Head of State, H.E. Mr. Idriss Déby, to persist in his efforts to bring about a dialogue with the various opposition movements.

It commended the efforts made by the Chadian Government with a view to the return of political exiles, including the former Head of State, General Félix Malloum, and the implementation of the peace agreement concluded in Tripoli on 7 January 2002 between the Government and the Mouvement pour la démocratie et la justice au Tchad (MDJT).

It further urged the Chadian Government and MDJT to resume implementation of the peace agreement of 7 January 2002 in order to strengthen stability and peace in the best interests of the Chadian people.

The Committee expressed its concern at the bloody incidents which had occurred on the border between Chad and the Central African Republic and welcomed the sending to the field of a verification and evaluation mission with members drawn from CAEMC, Mali, the African Union and the United Nations as part of the effort to achieve a lasting settlement of the dispute and the normalization of relations between the two countries.

V. Intergovernmental cooperation in security matters in Central Africa

The Committee took note with satisfaction of the intensification of actions and initiatives taken by the member countries within the framework of cooperation in security matters, aimed at lessening tensions, combating insecurity in the border areas and facilitating exchanges between the various national structures dealing with these questions.

In view of the cross-border nature of most of the security problems in the subregion and the need to respond to them in a joint and concerted manner, the Committee again strongly recommended continued cooperation and dialogue among the security forces of the Central African countries, particularly within the framework of periodic meetings and the organization of joint operations.

The Committee welcomed:

- The tripartite summit meeting on security matters held at Pointe Noire on 18 July 2002 among Angola, Gabon and the Congo;
- Joint border patrols among the Democratic Republic of the Congo, the Congo and Angola;
- The sending to the border between the Central African Republic and Chad of a verification and evaluation mission made up of representatives of CAEMC, Mali, the African Union and the United Nations;
- Training and refresher courses in training centres in Cameroon in the areas of the judicial police, defense and the maintenance of public order and security for residents of the region;
- The peace agreement concluded on 30 July 2002 between the Presidents of Rwanda and the Democratic Republic of the Congo;
- The Cameroon/Central African Republic mixed commission meeting held at Bangui from 2 to 4 May 2002;
- The visit to Malabo on 22 August 2002 of the Minister of State for External Relations of Cameroon bearing a message from the Cameroonian Head of State to his counterpart of Equatorial Guinea;
- The arrest by the Angolan authorities of former General Bizimungu, who was charged in the Rwandan genocide;
- The organization of joint river patrols between the Democratic Republic of the Congo and the Republic of the Congo;
- The organization of joint border patrols by the security forces of the Central African countries;
- The coordination meetings between the administrative and military authorities of the border areas to defuse tensions among the population and to build confidence;
- The summit meetings on security matters held by the Central African countries at the bilateral and multilateral levels.

The Committee expressed its deep concern at the persistence of organized crime and insecurity in the countries of the subregion, particularly the development of the phenomenon of "roadblocks". It recommended the intensification of information exchanges and the organization of large-scale joint operations to combat this scourge. It recommended that a high-level meeting should be held on the question, aimed, in particular, at setting up a suitable legal framework for cooperation in the matter.

It stressed the need for closer cooperation among the security forces of the various countries with a view to combating the cross-border trade in stolen vehicles.

Recalling the importance to the subregion's peace and security of the protocol relating to COPAX, the Mutual Assistance Pact and the Non-Aggression Pact concluded between the Central African countries, the Committee recommended that the Bureau should draw the attention of those countries which had not already done so to the need to sign and/or ratify those instruments.

Aware of the need to strengthen cooperation for peace and security in the subregion, the Committee appealed to those countries that had not yet signed the agreement on criminal police cooperation, adopted at the second meeting of the Committee of Central African Police Chiefs (CCPAC) in Yaoundé in April 1999, to take all necessary steps to expedite the signing of this text and to guarantee its full effectiveness.

VI. Evaluation of the implementation of the previous decisions and recommendations of the Advisory Committee

A. Establishment of the Council for Peace and Security in Central Africa (COPAX)

The Committee asked countries that have ratified the texts governing COPAX and the Mutual Assistance Pact to transmit the relevant instruments of ratification to the depositary country, Gabon, and urged countries

that had not yet done so to take the necessary steps to ratify those legal instruments before the next ministerial meeting. In addition, the Committee asked the secretariat of the Economic Community of Central African States (ECCAS) to provide Rwanda with all the documentation concerning COPAX to enable that country to embark upon the relevant necessary procedures.

The Committee welcomed the adoption by the Heads of State and Government of the member States of ECCAS in Malabo on 17 June 2002 of the rules of procedure of the organs of COPAX, namely the Defence and Security Commission, the Central African multinational force and the Central African early warning mechanism (MARAC).

With respect to the Central African early warning mechanism, the Committee reiterated the need to conduct a study to evaluate its costs and implementation modalities.

The Committee asked the secretariat to recruit a consultant to conduct the study.

It was decided that the secretariat would obtain information from the United Nations Department of Political Affairs, the secretariat of ECCAS and the Government of Gabon, which would be supplemented by contributions from the member countries of the Committee and used to produce the terms of reference for the consultant.

B. Activities of the United Nations Subregional Centre for Human Rights and Democracy in Central Africa

The Committee took note of the report submitted by H.E. Mr. Teferra Shiawl-Kidanekal, Director of the United Nations Subregional Centre for Human Rights and Democracy in Central Africa, on the activities of the institution.

It welcomed:

- The organization in Yaoundé on 13 and 14 June 2002 of a Conference of Ministers of Justice and Presidents of the Supreme Courts of the Central African States on the theme "Submission of reports pursuant to international human rights instruments";
- The inauguration of the Centre during the above-mentioned Conference by Mrs. Mary Robinson, United Nations High Commissioner for Human Rights, and H.E. Mr. François-Xavier Ngoubeyou, Minister of State for Foreign Affairs of the Republic of Cameroon;
- The granting of fellowships to interns;
- The signing, on 10 July 2002, of a Memorandum of Understanding between the Office of the High Commissioner for Human Rights and ECCAS concerning cooperation in the areas of human rights and democracy;
- The creation of a web site designed to publicize international human rights instruments.

The Director of the Centre has referred a draft resolution on the Centre's activities to the Committee for transmittal to permanent missions in New York and submission to the fifty-seventh session of the United Nations General Assembly.

C. Establishment of a subregional parliament

The Committee was informed by ECCAS of the increase in the estimated number of parliamentarians from 50 to 55, so as to take account of Rwanda's participation in the establishment of the subregional parliament.

The Committee welcomed the information concerning the laying of the first stone of the subregional parliament's headquarters in Malabo. The ceremony was attended by H.E. Mr. Ange-Félix Patassé, current President of the Central African Economic and Monetary Community.

It also welcomed the adoption by the Heads of State of the member countries of ECCAS of a protocol concerning the establishment of the network of Central African parliamentarians at the Conference of Heads of State and Government of ECCAS, which was held in Malabo on 17 June 2002.

It appealed to the member countries of the Committee to ratify that protocol expeditiously.

D. Organization of a military peacekeeping exercise for Central African countries (Biyongho — 2003)

The Committee reiterated its commitment to organize, in cooperation with ECCAS, a military peacekeeping exercise involving the armed forces of its member States.

The Committee welcomed Kwanda's decision to take part in the exercise. In that connection, Rwanda set its contribution at 50 million CFA francs, in accordance with the distribution of costs established in Kinshasa during the seventeenth ministerial meeting.

The Committee welcomed Cameroon's offer to arrange transport for troops from Chad and the Central African Republic taking part in the exercise.

The Bureau was mandated to request United Nations technical support for operations relating to the "build-up" and request ECCAS to take all necessary measures to obtain additional material support from donors.

The Committee asked Gabon to transmit details of the United Nations technical support to the Bureau.

Given the delays affecting the first planning meeting, originally scheduled for early September, the Committee decided to postpone it until 23 September 2002.

E. Consideration of the implementation of the recommendations of the Subregional Conference on the Proliferation of and Illicit Traffic in Small Arms

The Committee took note with interest of the information transmitted by member countries on the implementation of the recommendations of the Subregional Conference on the Proliferation of and Illicit Traffic in Small Arms, held in N'Djamena in October 1999.

In particular, it welcomed the creation in several countries of the subregion of structures to coordinate the campaign against the proliferation of small arms and the efforts made by the security forces of those countries to collect and destroy illicit arms and to raise peoples' awareness of the dangers of owning firearms.

The Committee recommended the intensification of cooperation between the security forces of the countries of the region in the campaign against the illicit traffic in small arms.

It also appealed for increased assistance for the countries of the subregion with a view to implementing programmes for disarmament and for the mobilization, rehabilitation and reintegration of ex-combatants, which have a positive impact on reducing the flow of illicit arms in circulation.

The Committee asked the member countries to transmit to the secretariat the details of the national focal points responsible for combating the proliferation of and illicit traffic in small arms.

F. Consideration of the implementation of the recommendations of the Subregional Conference on the Question of Refugees and Displaced Persons in Central Africa

The Committee took note with interest of the information transmitted by the member countries concerning the implementation of the recommendations of this Conference, which was held in Bujumbura in August 2000.

In particular, it welcomed the implementation in several countries of the subregion of a legal framework governing the situation of refugees and the efforts made by several Governments in the subregion to encourage their refugee nationals in neighbouring States to return home.

The Committee appealed to the international community, in particular the United Nations High Commissioner for Refugees, to provide increased assistance to countries of the subregion facing problems arising from the influx of refugees.

G. Consideration of the implementation of the decisions and recommendations of the Subregional Conference on the Protection of Women and Children in Armed Conflict in Central Africa

The Committee took note with interest of the information transmitted by member States concerning the implementation of the recommendations of this Conference, which was held in Kinshasa in November 2001.

Recognizing that women and children are the principal victims of armed conflicts and that they play a major role in the quest for solutions to such conflicts, the Committee once again recommended to member States that they should include them in delegations to its various meetings.

In particular, it urged States hosting such meetings to include women and youth in their delegations.

VII. Briefing on the regional consultation on the theme "Parity and development: participation of the Central African woman"

The Committee took note with interest of the briefing given by the Secretary of the Committee, Ms. Pamela Maponga, on this subregional consultation, which took place in Douala from 28 to 30 May 2002. The consultation, which was designed to lead to the elaboration of a regional plan of action for the following two years, was organized by the United Nations Development Fund for Women in conjunction with the Committee.

The themes of the consultation included: the feminization of poverty and new technologies; peace and security; implementation of Security Council resolution 1325 (2000); human rights and the fight against HIV/AIDS; good governance and the participation of women in decision-making.

VIII. Adoption of the Committee's programme of work for 2002-2003

The Committee adopted the following programme of work for 2002-2003:

- Undertaking of a study on the Central African early warning mechanism;
- Workshop on the United Nations register of conventional weapons and of the reporting of military expenditures, place and date to be determined;
- Seminar on the implementation in Central Africa of the programme of action adopted by the United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects, place and date to be determined;
- Nineteenth ministerial meeting, March 2003 in Bangui, date to be determined;
- Twentieth ministerial meeting, August 2003 in Malabo, date to be determined;
- Conduct of the Biyongho-2003 military exercise, 10 to 21 June 2003, Gabon.

IX. Consideration and adoption of the draft resolution on the activities of the Advisory Committee

The Committee considered and adopted the draft resolution on its activities, which will be submitted to the General Assembly at its fifty-seventh session.

It asked the member countries to instruct their permanent representatives in New York to support fully the adoption by consensus of the draft resolution, as in previous years.

X. Date of the next meeting

The Committee decided to hold its nineteenth ministerial meeting in Bangui in March 2003, on dates to be determined.

XI. Other matters

The members of the Committee had fruitful exchanges with the secretariat on the possibility of streamlining the agendas of their meetings and on ways and means of increasing the practical benefits therefrom.

The Committee urged member States to make regular contributions to the trust fund intended to finance its activities.

Lastly, the participants welcomed the favourable climate that had prevailed throughout their deliberations and expressed their appreciation to the President of the Central African Republic, H.E. Mr. Ange-Félix Patassé, and to the Central African Government and people for the warm welcome and fraternal attentions paid to them during their stay in the Central African Republic.

Bangui, 30 August 2002

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General Assembly

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Fifty-seventh session
Item 86 (b) of the provisional agenda*
Macroeconomic policy questions: commodities

World commodity trends and prospects

Note by the Secretary-General

The Secretary-General has the honour to submit to the General Assembly, as requested in its resolution 55/183 of 20 December 2000, the attached report,** which was prepared by the Secretary-General of the United Nations Conference on Trade and Development (see annex).

* A/57/150.
** The report was submitted late in order to ensure that the most recent statistics available could be used in its preparation.

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Annex

Report of the Secretary-General of the United Nations Conference on Trade and Development on world commodity trends and prospects

Executive summary

World exports of non-fuel commodities increased at a slower rate than total exports during the decade 1990-2000. The value of exports of agricultural commodities actually decreased from 1996 to 2000. Developing countries' share of world commodity exports increased slightly, although it is still below the levels reached prior to 1985. The share of African countries has continued to decrease. Dependence on exports of a few commodities remains high in a large number of developing countries. Prices of commodities have continued their downward trend, and the level of commodity prices in current United States dollars is now comparable with that of the early 1970s. Since 1997, the fall in prices of some commodities, including coffee, cotton and sugar, has been dramatic, causing large economic losses and increased poverty in several developing countries.

While the elimination of supply-side constraints are of fundamental importance, two major problems in the area of commodities require the urgent attention of the international community: the catastrophic price falls for some commodities and the continuation of agricultural support policies by developed countries. The international community should mobilize resources to finance the withdrawal of productive capacity for the commodities having experienced dramatic falls in prices. As a minimum, support schemes to developed-country producers competing with developing-country producers of the commodities concerned should be radically reduced, if not eliminated.

In the long term, developing countries need assistance in order to improve their supply capacity, the quality of their products and their participation in international value chains. Institutional factors such as insufficient market information, lack of access to technology and inputs, lack of extension services, difficult access to finance, and lack of organization and cooperation among domestic firms pose formidable barriers to the expansion of commodity exports and to diversification. Policy action in these areas, by individual Governments as well as the international community, with the active involvement of the private sector, can make a significant positive impact on the livelihood of developing-country commodity producers. Significant improvements in market access for developing-country agricultural exports require, apart from a sharp and meaningful reduction of subsidies, much deeper cuts in tariffs, or large increases in the volumes admitted at lower tariffs, preferably both. In this context, the burden of liberalization on net food-importing countries and specialized exporters that depend on one or two key commodities also needs to be addressed.

International producer-consumer cooperation should be supported and the activities of the Second Account of the Common Fund for Commodities (CFC) should be expanded. In particular, increased funding should be made available to CFC to finance research and development and extension services in developing countries.

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I. Recent developments in the world commodity economy

A. Commodity trade and production in developing countries

1. While total world exports increased at an average annual rate of 6.1 per cent between 1990 and 2000, world commodity exports grew by 3.1 per cent. Food exports peaked in 1996 at 468 billion United States dollars and declined every year thereafter, to 429 billion dollars in 2000. World exports of minerals and metals increased at a relatively stable average annual rate of 3.8 per cent during the period, while world exports of agricultural raw materials peaked in 1995-1996 and by 2000, had returned to a value slightly lower than that of 1990.[a] The share of developing countries in world food exports increased slightly from 29 to 32.4 per cent, although it was still below the 1985 level of 34.7 per cent. While developing countries in America and Asia increased their market shares, that of African countries decreased. With respect to minerals and metals, the pattern is similar, with a slight increase in the share of developing countries as a group, composed of a large increase for Asia, stagnation for America and a halving for Africa.

2. Differences in growth between commodities reflect changing consumer habits, with fast growth for items such as fish, fresh fruits and vegetables and tobacco, and slower growth for animal oils and fats, coffee and cereals. The growth in trade is affected by market access conditions and marketing and promotion efforts by exporters.

3. Since total exports by developing countries increased at an average annual rate of 9.3 per cent from 1990 to 2000, a rate faster than that for commodity exports, these countries as a group have become less dependent on commodity exports over the last decade. However, there are differences between countries. The number of developing countries that depend on primary commodities, excluding fuels, for more than half of their export earnings remained almost unchanged in 1999 from a decade earlier — 61 out of the 144 countries for which data were available. If fuels are included, the number rises to 88. Many countries also still depend on a very small number of commodities for export earnings: three or fewer commodities accounted for more than half of the total export earnings of 61 developing countries in 1990 and of 46 in 1999, of which 22 export mainly fuels.

4. Developing countries with more diversified export structures have generally experienced higher rates of economic growth than those depending on commodities. Nevertheless, exporting commodities, including more processed and higher-value items, may well be the most viable path to increasing incomes, employment and welfare for many countries. In several developing countries, such as Botswana, Chile, Malaysia and Thailand, growing export revenues from the commodities sector — as a result of a high rate of growth in world demand and/or the exploitation of competitive advantages — have provided the necessary resources for investment in both productive capacity and infrastructure, enabling those countries to enter new productive activities and thereby diversifying production and exports. On the other hand, several other countries, particularly least developed countries, have not succeeded in generating sufficient revenue from their commodity exports to allow diversification and growth, owing to combinations of demand factors (stagnating world demand, declining prices), unfavourable market access or market entry conditions, competition from subsidized production and supply-side bottlenecks.

B. Commodity prices

1. Evolution of commodity prices over the long term

5. The long-term trends in commodity prices reflect, apart from slow growth in demand, considerable increases in productivity. In competitive markets characterized by low price and income elasticities of demand, this leads to falling real prices, with the productivity gains being passed on to consumers. Prices are also influenced by other factors, such as subsidies, differences in bargaining strength between producers and consumers and excesses of supply over demand (due to exit barriers and inability to diversify production), all of which affect the distribution of productivity gains and have exercised a downward pressure on prices over long periods.

6. Over the past 25 years, from 1977 through 2001, the combined United Nations Conference on Trade and Development (UNCTAD) price index in United States dollars for all commodities declined by 53 per cent in

real terms,[b] that is to say, commodity prices lost more than half of their purchasing power in terms of manufactured goods. In current dollar terms, the index also declined, although by less (11 per cent), over the past quarter-century. The price falls were most serious for tropical beverages and for vegetable oilseeds and oils. Over the last decade, only vegetable oils and oilseeds showed a slight price increase. In nominal terms, the level of the commodity price index is now comparable with that of the early 1970s.

2. Recent commodity price falls

7. The last four years have seen an acceleration of the declining trend. Through May 2002, the combined price index for all commodities fell by 17 per cent in real terms and by 24 per cent in current dollars.[c] The fall has been precipitous for tropical beverages at 55 per cent in current dollars, with other agricultural commodity groups experiencing price falls of about 30 per cent and minerals and metals price falls of about 18 per cent. Prices of some commodities (cocoa, sugar, meats and rubber) decreased markedly from 1998 to 2000 but recovered in 2001-2002. Prices of metals and minerals depend strongly on world economic performance. While precious metals played their usual role of "safe havens", prices of non-ferrous metals such as nickel, aluminium, copper, zinc and tin plunged dramatically. Although base-metal prices recovered slightly in early 2002, owing to positive economic growth forecasts, the overall trend is still negative and market fundamentals do not give cause for optimism.

8. The sharp decline in United States dollar prices can be attributed to a number of factors, including dollar appreciation, currency devaluations of major commodity exporters and the general economic downturn. Other factors also contributed to the severity of the price declines. A structural oversupply can be observed in the case of some commodities such as coffee. This has been due mainly to production increases, particularly through the emergence of new producers, as well as productivity improvements, and a declining rate of growth in demand (or absolute declines: coffee consumption in the United States of America halved from 1960 to 2000). Market distortions are another explanation in the case of commodities such as cotton and sugar, which are produced in both developed and developing countries, and where countries having already liberalized their agricultural sectors have to compete with countries providing generous support to their agriculture.[d]

9. The recent commodity price falls have had a major impact on developing countries. Many of these countries are economically vulnerable and often have to face boom-and-bust situations. They have to deal with the risk of falls in foreign exchange earnings from commodity exports — which influence their capacity to import — and they are affected by rapid increases in prices of imported commodities such as oil. For instance, Ghana mainly exports cocoa and gold and imports oil. Between 1998 and 2000, prices of cocoa and gold fell by 47 and 5 per cent respectively, while oil prices increased by 116 per cent. The situation reversed itself in 2001-2002 with an estimated increase of 76 per cent in cocoa prices and a fall of 15 per cent in oil prices. Managing such cycles is a major macroeconomic task.

10. According to a rough calculation made by the UNCTAD secretariat, if, over the 1999-2002 period, the prices of coffee, sugar and cotton had remained at the level at which they were in 1998 (when they were, historically speaking, "average"), coffee producing countries, sugar producing countries exporting to the free market and West African cotton producing countries would have earned respectively 19 billion, 1.4 billion and 1 billion United States dollars more than they actually did earn.

11. The case of coffee is illustrative. About 70 per cent of the world's coffee supply is provided by smallholders who are directly affected by the price fall. For instance, coffee growing supports more than 40 per cent of the rural labour force in countries such as Nicaragua. According to calculations made by Oxfam,[e] farmers in the Dominican Republic growing coffee on two hectares earn only US$ 260 a year from coffee production. The collapse of the world price for coffee directly affects 125 million people who depend on it for their livelihoods. This is having catastrophic consequences in terms of increased poverty.

3. The gap between international and consumer prices

12. It is possible that the impact of oversupply and slow economic growth on commodity prices would be somewhat alleviated if price falls experienced by producers were reflected fully in prices paid by final consumers. However, as described in the report of

UNCTAD on world commodity trends and prospects (A/55/332) submitted to the General Assembly in 2000, declines in the prices received by producers appear to lead to higher profits at later stages of the value chain, before the product reaches the final consumer. In general, the stage in the processing chain where concentration is largest tends to acquire a large share, with other stages having to accept smaller portions of the final price. For instance, following recent falls in cotton prices, the difference between the International Cotton Advisory Committee (ICAC) price indices for cotton and cotton yarn in the growing season 2001/02 was the greatest since the yarn index had first been calculated in 1982.[f] According to the International Coffee Organization (ICO),[g] coffee producing countries received about US$ 10-12 billion out of a $30 billion retail market in the United States at the end of the 1980s. Today, while the value of retail sales exceeds $70 billion, they only receive $5.5 billion. On the other hand, price increases for the primary product may not always be accepted by later stages with a strong market position. Thus, it was reported that the cocoa processor Archer Daniels Midlands cut capacity at its processing plant in Côte d'Ivoire because "prices for cocoa beans had risen but chocolate makers were not paying more for processed products".[h] It should be noted, however, that other chocolate producers have raised their prices in response to the higher price for cocoa beans.[i]

II. International commodity markets

A. Developments in the world trading system

1. Agricultural protectionism and support

13. While the implementation of the commitments under the Uruguay Round of Multilateral Trade Negotiations Agreement on Agriculture[j] by developed countries was completed in 2000, agricultural tariffs in these countries have remained high. Average most-favoured-nation (MFN) agricultural tariffs in the Organisation for Economic Cooperation and Development (OECD) countries are about 60 per cent, whereas industrial tariffs are rarely above 10 per cent (other than for textiles and clothing).[k] Most of the tariff peaks are in agriculture, including processed products. Moreover, agricultural tariffs are sometimes very complex and include seasonal variations. In addition, the tendency for tariffs to escalate according to the degree of processing remains a major problem. With few exceptions, post-Uruguay Round tariffs escalate not only between raw and semi-finished but also between semi-finished and finished items, thus impacting on the more advanced stages of processing more strongly. This continues to pose impediments to developing countries' opportunities to increase exports of higher value added products such as those based on cocoa and coffee, canned fruits and vegetables and concentrated fruit juice. Finally, although developing countries have been accorded preferences under a multitude of agreements, exceptions to these preferences often relate to agricultural products. For example, the European Union (EU) initiative on "Everything but Arms" (EBA) offers free market access to products from the least developed countries, with less than 5 per cent of pre-EBA exports left facing a tariff barrier. According to simulations however, the impact of this initiative will be a relatively small increase in exports from the least developed countries in the medium term, as 70 per cent of the potential positive trade effects would have come from free access for sugar, rice and bananas, which has been deferred until 2006.[l]

14. Under the Agreement on Agriculture, developed countries also committed themselves to reducing certain types of support to agriculture considered to be trade distorting by 36 per cent in comparison with the reference period, 1986-1988.[m] Since the reference period was characterized by historically high levels of agricultural support, actual reductions in the last decade have not been significant. Moreover, the Agreement on Agriculture allows the continuation of supports judged to be less distorting (such as payments based on area planted or historical entitlements) at the same or higher levels than in the past. Such support measures, while not targeting prices or unit production costs, reduce the business risk for farmers and provide them with an incentive to continue or increase production, including for exports. Thus, although the most trade distorting measures, including direct export subsidies, have been somewhat reduced,[n] developed-country agricultural producers enjoy a competitive advantage.

15. In both 2000 and 2001, support to agricultural production (total support estimate (TSE) by OECD countries declined slightly to US$ 321 billion and US$ 311 billion respectively owing to increasing prices for supported products, and this resulted in lower price

support. Compared with the 1986-1988 level of $298 billion, TSE increased slightly, owing to increased spending on support measures that are not subject to Agreement on Agriculture reduction commitments.[o] Agricultural support in OECD countries continues to be about eight times as large as net transfers of official development assistance (ODA) to developing countries by the same countries (less than US$ 40 billion in 2000). On average in OECD countries, support to producers accounts for 31 per cent of total farm receipts, of which 78 per cent is in the form of market price support, output payments and input subsidies. Support levels differ between countries and commodities, with higher support being given to those producers that are most exposed to international competition. Producer support to rice producers corresponded to 80 per cent of farm receipts, while support to producers of sheep meat, sugar and milk corresponded to 45 per cent or more. In summary, developed countries have failed to use the opportunity to implement commitments on reduction of agricultural support in a way that would have been beneficial for developing countries.

16. Recent developments appear to reinforce the trend towards replacement of highly distorting measures with other measures that also provide producers with a significant competitive edge. The ongoing discussion within EU about a proposed reform of the Common Agricultural Policy may result in a shift from direct subsidies towards programmes linked to environmental protection, food safety standards and rural development. Similarly, the proposal made by the United States Trade Representative in July 2002 focuses on reductions in trade distorting support measures, particularly export subsidies, and in tariffs. At the same time, the new United States farm bill (the Farm Security and Rural Investment Act of 2002) provides for major increases in spending on agricultural support, which are stated to be in accordance with the United States commitments under the Agreement on Agriculture, since the measures are claimed to be non-distorting or to be covered by the *de minimus* rule. However, while direct and permanent price support measures are excluded, several of the measures in the bill would be triggered by loss of income due to price falls for individual commodities. In a situation of oversupply and decreasing prices, these measures would insulate producers in the United States from market signals and could contribute to a worsening of the oversupply situation.

17. The World Trade Organization negotiations on agriculture are currently in the process of identifying the modalities that would be the basis for new concessions and commitments, which should be agreed by March 2003.[p] In this context, developing countries are of the view that special and differential treatment for developing countries under the Agreement on Agriculture should be made more effective by establishing a "development box", which would make agricultural liberalization complementary to, rather than conflictual with, their principal development needs, including (a) increasing food security; (b) enhancing viability of low-income resource-poor farmers; and (c) removing supply-side constraints to the diversification of production and exports in developing countries.

18. The difficulties faced by developing countries, particularly least developed countries, in the implementation of agreements such as the Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement) and the Agreement on Trade-related Aspects of Intellectual Property Rights (the TRIPs Agreement) also create significant problems. The standards and processes (such as the Hazard Analysis Critical Control Point system) related to the SPS Agreement threaten to turn into the most important difficulties facing developing countries' agricultural exports. Concerning the TRIPs Agreement, agricultural producers in exporting countries without sufficiently developed infrastructure for intellectual property protection risk losing markets because importing firms fear that "illegally" produced or obtained seeds may have been used in production.

2. Food security in the context of the international trading system

19. In the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Developing Countries,[j] it was recognized explicitly that during implementation of the Uruguay Round agricultural trade reform programme, some least developed countries and net food-importing developing countries might experience negative effects in terms of the availability of adequate supplies of basic foodstuffs on reasonable terms and conditions, including short-term difficulties in financing normal levels of commercial imports of basic foodstuffs.[q]

20. In many of these least developed countries and net food-importing developing countries (which collectively have a population of over 1 billion people), food imports account for more than one fifth of total imports. Many policy makers from these countries fear that they will be confronted with much higher food import bills in the years to come, both because food aid will fall (following a possible decline in surplus production in OECD countries which may result from the implementation of the Uruguay Round Agreement) and will have to be replaced by commercial food imports, and because food prices will increase owing to falling export subsidies in OECD countries and more serious price effects of supply shocks as a result of falls in worldwide food stocks.

21. As the implementation of the Uruguay Round agricultural trade reform programme has been incomplete, it is impossible to determine whether liberalization leads to higher world food prices, and to greater volatility of these prices; but if it does, the food security of least developed countries and net food-importing developing countries could be compromised unless complementary measures were taken to ensure that, in the case of price shocks, these countries would be able to import sufficient food. Food imports in these countries are now (after privatization and liberalization) mostly in private hands, and the systems used by importers to finance their purchases are not sufficiently flexible to allow a rapid increase in financing from one year to the other; thus, an argument can be made for the introduction of a new multinational food financing facility.[4]

3. Minerals and metals

22. With regard to exports of mineral commodities, tariff and non-tariff barriers have limited impact on international trade. Nevertheless, there have been a relatively large number of anti-dumping cases dealing with metals. The most important recent trade measure on minerals and metals was the temporary safeguard measures introduced by the United States in March 2002, which included the imposition of tariffs of up to 30 per cent on a large number of steel products. While it is still too early to assess the results of the measures, it appears that they have had an impact mainly on finished steel products. United States imports during the first six months of 2002 fell by 8 per cent compared with the same period in 2001.[5] Most of the decline took place in March to May. On the other hand, imports of semi-finished products, which were subject to a tariff-free quota, increased sharply. Since several countries, including most developing countries members of the World Trade Organization, were exempted from the new tariffs, and since a large number of individual exemptions have been granted, the outcomes for different exporters vary. Among developing countries, Brazil, China, the Republic of Korea and Taiwan Province of China have suffered the largest declines in finished steel exports to the United States. The long-term impacts, particularly on the oversupply situation in the world steel industry, are uncertain.

B. Market structures and the international commodity economy

23. Earlier, agricultural producers in most countries were to a large extent shielded from the world market, through measures such as tariff barriers, subsidies and stabilization funds. Such supports now survive mainly in OECD countries. In many cases, such government programmes in developing countries were not only costly but actually led to lower, albeit stable, prices for producers.[1] However, the current liberalized system has its problems. Many support structures in developing countries (for example, for contract enforcement, inspection services, marketing or finance) remain very weak years after the abolition of State marketing boards, saddling producers in these countries with a disadvantage compared with developed-country producers. The past years have also seen the virtual disappearance of local exporting companies and even local traders or distributors in many countries, and their replacement by agents or subsidiaries of international trading houses. Local service providers such as insurance companies, banks and collateral managers have also lost much of their business to foreign competition.

24. For many firms, direct investment has become less important as a tool for controlling the marketing chain, and has been replaced by production contracts, alliances and other mechanisms coordinating input suppliers, farmers, processors and traders.

25. Improved access to and use of information can to some extent offset the negative impact of increasing market concentration. Improved telecommunications, including the Internet, have led to major improvements in the generation and distribution of commodity information. For example, operating a successful

commodity exchange is no longer the reserve of major developed-country enterprises. Moreover, local portals for trading commodities can be created for developing-country users, and can reach down into the countryside, in the process revolutionizing opportunities and prospects for individual farmers with the necessary means." As information and marketing services can be combined to enhance commodity finance mechanisms, potential benefits are considerable. On the other hand, many producers may be at risk of being left further behind.

26. As the margins on traditional port-to-port trading disappeared owing to improvements in the dissemination of price information, trading houses were forced to move into local procurement, processing and distribution in developing countries. This implied greater risks, and only a few were able to thrive in this new environment. Nevertheless, the real profits in the commodity chain do not seem to lie mainly with the trading houses, however large they may be. Rather, they lie with those that control critical points along the value chain, own established brand names or have access to shelf space in supermarkets.

27. The rapid growth of supermarkets, facilitated by liberalization, has been given little attention by Governments and development agencies. In Latin America, supermarkets now account for 60 per cent of total food retailing; and the value of fruits and vegetables sold through them is two to three times as high as that exported. Supermarkets have their own modus operandi and, given their huge presence in the market, they have a definite impact on producers and production requirements in terms of cost, quality and food safety, product variety and innovation, and delivery. They provide opportunities for small producers and exporters in developing countries to access wider markets but may also hinder active and effective participation in the international value chain. The world's 200 largest supermarkets and their suppliers (with annual sales of US$ 2.800 billion), through their association (CIES — The Food Business Forum), decided earlier this year on new mandatory standards for their suppliers. The impact of this move, which may simplify the situation of exporters by reducing the number of different standards, is likely to be very important and may overshadow whatever Governments decide in the context of the World Trade Organization agreements. Moreover, to simplify operations, most supermarkets are now cutting drastically the number of their suppliers. Those left out will have to sell in a shrinking and low-priced market or find a niche market. In this environment, efforts to promote new or better production of particular commodities by, say, cooperatives need to be closely coordinated with the buying agents of supermarkets and other major end-users.

28. Consumers, particularly of agricultural commodities but to a large extent also of metals, are increasingly exigent with respect to the quality of the commodities they buy, the timeliness of delivery, origin and traceability, and the environmental and social conditions under which they have been produced. The role played by fair-trade labelling and other socially or environmentally responsible market practices is also becoming important. Many commodities are, in effect, differentiated, with tailored supply chains created to control the commodity from production to delivery to the consumer.

29. In some cases, producers benefit from this change by obtaining a price superior to the world market price; but in many cases, premium prices offered for certain commodities do not translate into better prices for producers. In many developing countries, quality control systems have not kept pace with industry requirements. For instance, one of the desirable aspects of cocoa beans is the viscosity of the resulting chocolate, for coating ice creams and the like. While manufacturers are willing to pay high prices for cocoa beans that meet the requirements, these characteristics are not even measured in many producing countries.

C. Commodity-based development and diversification

30. In several commodity-dependent developing countries, particularly least developed countries, the commodity sector, which carries the burden for the generation of savings and foreign exchange necessary for development, has not functioned as an engine of growth and industrialization. These countries are characterized by a low-productivity, low value-added and weakly competitive commodity sector, generally concentrated on a narrow range of products with weak demand growth and declining real prices. Their dependence on commodities is associated with slow export growth, which, together with terms-of-trade shocks such as those currently experienced by coffee and cotton producing countries, leads to continued low

productivity, investment and savings. Owing to slow export growth, most of these countries face foreign exchange shortages. Import volumes are low, and low levels of technology imports and lack of complementary imports result in reduced levels of investment, reduced efficiency in resource use and inefficient production processes.

31. Support from the international community and domestic reform actions are both necessary if low-income countries are to escape from the "poverty trap" imposed by commodity-dependence. In order for the commodity sector to generate the income needed for development:

- Producers and exporters must have access to timely and accurate market information, including information on prices, export markets, quality requirements and standards.
- Producers need to have access to technology that allows them to produce at a competitive cost.
- Enterprises must be able to access finance on reasonable terms and to protect themselves against price and other risks through appropriate instruments. This requires a functioning and sufficiently sophisticated banking and insurance system, as well as an appropriate regulatory framework.
- Physical infrastructure and transportation services must be available and competitively priced. This is particularly important for products such as fresh fruit and vegetables.
- Exporters need to have access to markets on non-discriminatory terms and competition from subsidized producers has to be eliminated.
- Producers and exporters must seek means for market entry, for instance, through partnering arrangements with importers or with major distributors.
- Producers must be able to meet official quality and phytosanitary standards, including for labelling and packaging, as well as unofficial standards established by buyers.

32. These issues have all been addressed in the context of an interregional project on diversification and commodity-based development undertaken by UNCTAD under the United Nations Development Account. Under that project, a number of regional and national workshops have been held, resulting in concrete proposals for action by concerned Governments, the private sector, civil society and the international community.[v]

33. In most countries that have been successful in their development efforts, the commodity sector has undergone a dynamic transformation. Through elimination of bottlenecks and adoption of appropriate strategies at the governmental and enterprise levels, competitiveness has been enhanced and hitherto unrealized areas of comparative advantage have been identified. Production patterns have changed towards higher-valued and processed products with higher growth in domestic and international demand. Specializing in these products while seeking to graduate to those generating even better returns has been the essence of successful diversification processes. Successful countries have been able to increase the value added retained in the country and have been able to plough this into investments for further development and poverty reduction. In the process, diversifying enterprises have positioned themselves in global value chains. They have adopted modern business strategies, taken calculated risks and moved to new areas with greater profitability.

34. When viewed from this perspective, diversification not only generates more resources and leads to a reduction in vulnerability to external shocks, but also entails a change in business mentality. This change is a precondition for successful diversification and also an important factor generating further development. The ability to shift production and exports from customary products to more dynamic ones without losing the expertise obtained in the former is a crucial ingredient for breaking the vicious cycle of dependence and turning it into a virtuous cycle of dynamism and development.

III. Recent developments in international cooperation on commodities

35. There are currently 24 international commodity organizations functioning at the intergovernmental level, of which six are international commodity agreements (ICAs) (on cocoa, coffee, grains, olive oil and table olives, sugar, and tropical timber) and the others are intergovernmental commodity institutions of

other types. All 24 organizations are accepted by CFC as international commodity bodies (ICBs) with regard to the preparation, submission and supervision of projects financed through its Second Account."

36. None of the existing ICAs is currently attempting to regulate the market of the commodity in question by such means as buffer stock, supply management schemes or price support measures.[x] The last agreement of that kind, the International Natural Rubber Agreement, terminated its activities in 1999, and its statistical and developmental functions were transferred to the International Rubber Study Group. The ICBs gather and disseminate information, promote research and studies on the economics of production, and the consumption and distribution of commodities, and encourage development projects.

37. A new International Cocoa Agreement was negotiated in February 2001 and is due to come into force in 2002. The 2001 Agreement is intended to help small cocoa farmers and contribute to environmental protection through "the sustainable management of cocoa resources in order to provide fair economic returns to all stakeholders in the cocoa economy". Particularly noteworthy is the emphasis on the role of the private sector in supporting a sustainable cocoa economy and in promoting cocoa consumption.

38. The International Coffee Agreement, 2001, entered into force provisionally in October 2001. It contains a number of new objectives: encouraging members to develop a sustainable coffee economy; promoting coffee consumption; promoting quality; promoting training and information programmes designed to assist the transfer of technology to member countries; and analysing and advising on preparation of projects benefiting the world coffee economy.

39. The United Nations Conference on Jute and Jute Products, 2001, negotiated an Agreement Establishing the Terms of Reference of the International Jute Study Group (IJSG) to replace the previous Agreement. IJSG was inaugurated in April 2002.

40. The bulk of development projects for commodity-dependent developing countries is financed by CFC. By May 2002 CFC had approved 105 regular projects and 37 Fast Track projects with an overall cost of US$ 317.5 million, of which CFC financed US$ 152.3 million. The projects cover 36 commodities (33 agricultural and 3 mineral).

IV. Conclusions

41. Two major problems in the area of commodities require the urgent attention of the international community: the catastrophic price falls for some commodities, particularly coffee, cotton and sugar, and the continuation of agricultural support policies by developed countries. These two problems combined represent losses to developing commodity producing countries comparable in magnitude with what all developing countries receive in official development assistance (ODA). In the long term, developing countries need assistance in order to improve their supply capacities and participation in international value chains.

42. The oversupply leading to the dramatic price falls has to be eliminated. However, it is not possible for producing countries alone to reduce the excess supply by an amount that would be sufficient to reverse the price trend, particularly in a situation where their financial resources are being exhausted as a result of these price falls. The international community should mobilize resources to finance the withdrawal of productive capacity, particularly that of high-cost producers, and economic rehabilitation, diversification and transformation in the countries concerned. To prevent similar disastrous situations, systems for compensatory financing of export shortfalls should be revisited with a view to providing a temporary safety net for developing-country producers that are heavily dependent on the export of a few commodities. In the short term, and as a minimum, support schemes to developed-country producers competing with developing-country producers of the commodities concerned, such as cotton and sugar, should be radically reduced, if not eliminated.

43. Measures also have to be taken to improve the access of developing-country agricultural exports to developed-country markets. Significant improvements in market access will require, apart from a sharp and meaningful reduction of subsidies, much deeper cuts in tariffs, or large increases in the volumes admitted at lower tariffs, preferably both. Elimination of other trade barriers and trade-distorting practices is also important. Other issues that need to be addressed in the context of further liberalization of world trade include the potential

for State trading enterprises to distort trade, the market power of large companies, the growing use of anti-dumping duties, and the possible misuse of food aid and export credits. The burden of liberalization on net food-importing countries and specialized exporters that depend on one or two key commodities also needs to be addressed.

44. **In international trade negotiations, flexibility should be provided for the most vulnerable developing countries such as least developed countries and single commodity exporters to decide what products would be subject to commitments on tariff reductions and non-tariff measures, the content of commitments and rules and disciplines. The specific measures should also take account of special difficulties faced by commodity-dependent developing countries such as depressed commodity prices and price volatility. Better conditions for transfer of technology and the design of rules (similar to those that apply to State trading enterprises) for private corporations with huge market power are among measures to be considered. Trade-related technical assistance, which appears to be an accepted commitment by developed countries, should aim not only at the negotiation or implementation of World Trade Organization agreements but also at supporting diversification efforts and developing supply capacities for benefiting from opportunities offered by the new trading framework. Improved technical and financial assistance for ensuring traceability and meeting SPS and technical barriers to trade-related standards, and for TRIPs compliance, is also among the most important needs of developing countries.**

45. **In the commodity exporting developing countries themselves, institutional factors such as insufficient market information, lack of access to technology and inputs, lack of extension services, difficult access to finance, and lack of organization and cooperation among domestic firms pose formidable barriers to the expansion of earnings from commodity exports and to diversification. In addition to efforts to improve infrastructure and strengthen farmers' and exporters' associations, it is important to improve access to market information, enhance skills and knowledge, including on financial matters, and improve legal frameworks.**

46. **Policy action in these areas, by individual Governments and the international community, with the active involvement of the private sector, can make a significant positive impact on the livelihood of developing-country commodity producers. International producer-consumer cooperation should be supported and the activities of the Second Account of the Common Fund for Commodities should be expanded. Increased funding should be made available to the Common Fund to finance research and development and extension services in developing countries as well as adaptive research on production and processing aimed particularly at smallholders and small and medium-sized enterprises in developing countries.**

Notes

[a] Statistical tables will be made available on the following web site: http://www.unctad.org/infocomm/comm_docs/docs/gapaper/index.htm.

[b] Deflated by the unit value index of manufactured goods exported by developed market economy countries.

[c] The smaller fall in real terms reflects the appreciation of the United States dollar vis-à-vis the currencies of other developed countries.

[d] "The United States sugar industry is heavily subsidized, with about half of sugar producers' revenues coming from government support ... On average, United States sugar producers have received 2.6 times the world market price for sugar since the mid-1980s." (World Bank, *Global Economic Prospects, 2002* (Washington, D.C., 2002), p. 48.

[e] Oxfam, *The Coffee Market: A Background Study* (Oxford, January 2001).

[f] ICAC, *Cotton: Review of the World Situation*, vol. 55, No. 4 (March-April 2002), p. 15.

[g] ICO, "The global coffee crisis: international cooperation to redress the situation", aide-memoire, July 2002.

[h] *Financial Times*, 17 January 2002.

[i] For instance, prices of chocolate in Switzerland increased by 4.8 per cent from May 2001 through May 2002 (Office fédéral de statistique, communiqué de presse, Neuchâtel, Switzerland, 31 May 2002). According to the Swiss chocolate industry, the price is expected to increase further in October of this year.

[j] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT secretarial publication, Sales No. GATT/1994-7).

[k] J. Brooks and C. Cahill, "Why agricultural trade liberalization matters", *OECD Observer* (26 October 2001), p. 44.

[l] UNCTAD and the Commonwealth Secretariat, "Duty and quota free market access for LDCs: an analysis of Quad initiatives" (UNCTAD/DITC/TAB/Misc. 7), London and Geneva, 2001.

[m] Of the 25 members of the World Trade Organization that reserved the right to use export subsidies under the Agreement on Agriculture, 23 were developed countries. Most developing countries do not have the financial resources needed for such subsidies.

[n] It should be noted that export subsidies may be replaced by export credit guarantees which, while possibly less distorting, reduce the risk exposure of exporters. The United States increased its spending on export credit guarantees by 5 per cent in 2001 (OECD, *Agricultural Policies in OECD countries: Monitoring and Evaluation* (Paris, 2002)).

[o] TSE includes consumer support in the form of higher prices. The protection of domestic markets is of course a precondition for this support.

[p] For a detailed description of the current and planned process of negotiations on agriculture in the World Trade Organization, see the report by UNCTAD to the General Assembly on developments in the international trading system (A/57/376).

[q] See the decision of 14 November 2001 adopted by the Ministerial Conference of the World Trade Organization at its fourth session (WT/MIN/(01)/17) on implementation-related issues and concerns, para. 2.2.

[r] World Trade Organization, "Report of the Inter-Agency Panel on short-term difficulties in financing normal levels of commercial imports of basic foodstuffs" (WT/CG/62), 28 June 2002.

[s] *Metal Bulletin*, 15 August 2002, p. 17.

[t] It should be noted that tariff barriers are still often high in developing countries.

[u] For instance, Café Britt sells coffee to consumers using its 800 number, through which consumers can order bags of coffee beans directly from a farm in, say, Brazil, and have it delivered to their doorstep ("e-commerce: Marketing tool or revenue producer", *Coffee & Tea Trade Journal*, vol. 172, No. 6 (June/July 2000)).

[v] Papers presented at the workshops and recommendations can be found at: http://www.unctad.org/infocomm/Diversification/index.htm.

[w] The full list of ICBs with connections to their web sites can be found at: http://www.unctad.org/commodities/partners.htm.

[x] Such schemes are now mostly discussed in the framework of producers' arrangements, rather than in producer-consumer bodies.

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General Assembly
Security Council

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General Assembly
Fifty-seventh session
Item 40 of the provisional agenda*
Question of equitable representation on and increase in the membership of the Security Council and related matters

Security Council
Fifty-seventh year

Letter dated 6 September 2002 from the President of the Security Council addressed to the Secretary-General

On behalf of the members of the Security Council, I have the honour to draw to your attention the descriptive index to notes and statements by the President of the Security Council relating to documentation and procedure (see annex). This descriptive index has been prepared to provide greater ease of reference to notes and statements by the President on the documentation and procedure of the Security Council. All the documents referred to in the descriptive index are available on the United Nations Official Document System (ODS).

I should be grateful if you would have this descriptive index circulated as a document of the General Assembly, under item 40 of the provisional agenda, and of the Security Council.

(*Signed*) Stefan **Tafrov**
President of the Security Council

* A/57/150.

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Annex

Descriptive index to notes and statements by the President of the Security Council relating to documentation and procedure (June 1993 to August 2002)

1. Agenda

S/26015 of 30 June 1993 Note by the President of the Security Council	Inclusion in the *Journal* of provisional agenda for public meetings of the Council.
S/26812 of 29 November 1993 Note by the President of the Security Council	Use of descriptive formulations of agenda items to avoid having a number of separate items on the same subject.
S/2002/316 of 26 March 2002 Note by the President of the Security Council	Introduction of agenda items in public meetings by specifying the agenda item/issue for consideration.

2. Annual report

S/26015 of 30 June 1993 Note by the President of the Security Council	Changes to the format of the report, its distribution and adoption at a public meeting. Amended by S/2002/199.
S/1995/234 of 29 March 1995 Note by the President of the Security Council	Introduction to contain more information on each sanctions Committee. Superseded by S/2002/199.
S/PRST/1996/13 of 28 March 1996 Statement by the President of the Security Council	Report to contain information on meetings with troop-contributing countries chaired by the Presidency. Amended by S/2002/199.
S/1997/451 of 12 June 1997 Note by the President of the Security Council	Changes to the format and additions to the report. Superseded by S/2002/199.
S/1998/1016 of 30 October 1998 Note by the President of the Security Council	Report to contain annual reports of sanctions Committees. Superseded by S/2002/199.
S/2002/199 of 26 February 2002, reissued on 22 May 2002 Note by the President of the Security Council	Change of period covered by the report; revision of format; presentation of the report to the General Assembly by the President of the Council.

3. Briefings

S/1999/1291 of 30 December 1999 Note by the President of the Security Council	Briefings by the Secretariat in Council meetings. Content and modalities of briefings by the President to non-members of the Council after informal consultations.
S/2002/316 of 26 March 2002 Note by the President of the Security Council	Inclusion and circulation of printed fact sheets for briefings by the Secretariat to Council members.

4. Documentation

S/26015 of 30 June 1993 Note by the President of the Security Council	Procedure for citation of documents referred to in draft resolutions or presidential statements, including prefixes.
S/26389 of 31 August 1993 Note by the President of the Security Council	Issuance of Council documents.
S/1999/1291 of 30 December 1999 Note by the President of the Security Council	Timely circulation of briefing notes on field operations to non-members of the Council.
S/2001/640 of 29 June 2001 Note by the President of the Security Council	Communication and dissemination by the President and Secretariat of Council decisions and statements to the press. Issuance of statements to the press made by the President as United Nations press releases.
S/2002/316 of 26 March 2002 Note by the President of the Security Council	Publication and distribution dates of reports of the Secretary-General.

5. Informal consultations

S/1994/230 of 28 February 1994 Note by the President of the Security Council	Circulation in informal consultations of the Secretary-General's statements to the press on matters of concern to the Council.
S/PRST/1994/62 of 4 November 1994 Statement by the President of the Security Council	President to summarize views expressed at meetings with troop-contributing countries.
S/2000/155 of 28 February 2000 Note by the President of the Security Council	Attendance by newly-elected members during the month preceding their term.

6. Meetings

(a) Distribution of statements

S/1994/329 of 23 March 1994 Note by the President of the Security Council	Arrangements for the distribution of statements outside the Council Chamber. Superseded by S/2000/274.
S/2000/274 of 31 March 2000 Note by the President of the Security Council	Arrangements for the distribution of statements in the Council Chamber.

(b) Format

S/1999/1291 of 30 December 1999 Note by the President of the Security Council	Non-exhaustive range of public and private meeting options.

(c) Notification

S/1998/1016 of 30 October 1998 Note by the President of the Security Council	Secretariat to establish a mechanism to alert non-members of the Council of unscheduled or emergency meetings.

(d) Public meetings

S/PRST/1994/81 of 16 December 1994 Statement by the President of the Security Council	Increased recourse to public meetings, in particular at an early stage in the Council's consideration of a subject.
S/1998/1016 of 30 October 1998 Note by the President of the Security Council	Statements by the Secretary-General in public meetings.
S/1999/1291 of 30 December 1999 Note by the President of the Security Council	Identification of additional matters for consideration at public meetings, including situations involving specific countries.
S/2002/316 of 26 March 2002 Note by the President of the Security Council	Addressing speakers by name and title in public meetings.

7. Programme of work

S/26176 of 27 July 1993 Note by the President of the Security Council	Circulation of tentative forecast of programme of work to Member States.
S/1998/354 of 30 April 1998 Note by the President of the Security Council	Availability of provisional schedule of work to Member States.

8. Resolutions and presidential statements

S/26015 of 30 June 1993 Note by the President of the Security Council	Approval of presidential statements to include agreed formulation of subject matter under which it is authorized.
S/1994/230 of 28 February 1994 Note by the President of the Security Council	Draft resolutions in provisional form to be made available to non-members of the Council at the time of consultations of the whole or the following day.
S/1999/165 of 17 February 1999 Note by the President of the Security Council	Full participation of all Council members and sufficient time to be allowed in the preparation of resolutions and presidential statements; contributions by groups of friends and similar arrangements welcomed.
S/1999/1291 of 30 December 1999 Note by the President of the Security Council	Draft resolutions and draft presidential statements to be made available to non-members of the Council as soon as they are introduced in informal consultations of the whole.
S/2001/640 of 29 June 2001 Note by the President of the Security Council	Communication and dissemination by the Secretariat of Council decisions and statements to the press and to all those concerned.

9. Sanctions committees

S/1995/234 of 29 March 1995 Note by the President of the Security Council	List of improvements to make the procedures of sanctions committees more transparent.
S/1995/438 of 31 May 1995 Note by the President of the Security Council	Continuation of practice of hearing comments by Member States and organizations concerned during closed meetings of sanctions committees.
S/1996/54 of 24 January 1996 Note by the President of the Security Council	Oral briefings by the Chairman of each sanctions Committee to interested Member States after each meeting.
S/1998/1016 of 30 October 1998 Note by the President of the Security Council	Arrangements regarding the appointment of the bureaux of sanctions committees.
S/1999/92 of 29 January 1999 Note by the President of the Security Council	List of practical measures to improve the work of sanctions committees.

S/2000/319 of 17 April 2000 Note by the President to the Security Council	Establishment of an informal working group of the Council to develop general recommendations on how to improve the effectiveness of United Nations sanctions, including the working methods of sanctions committees and inter-committee coordination.
S/2002/70 of 15 January 2002 Note by the President to the Security Council	Appointment of new Chairman of the working group; reiterates task of working group to develop general recommendations on how to improve the effectiveness of United Nations sanctions.

10. Matters of which the Council is seized

S/1996/603 of 30 July 1996, reissued on 22 August 1996 Note by the President of the Security Council	As from 15 September 1996, matters which have not been considered in the preceding five years will be automatically deleted from the list unless a Member State notifies its objection to deletion before that date.
S/1996/704 of 29 August 1996 Note by the President of the Security Council	Modifies S/1996/603 so that no item will be deleted from the list without the prior consent of the Member States concerned in accordance with the procedure set out.

11. Troop-contributing countries[a]

S/PRST/1994/22 of 3 May 1994 Statement by the President of the Security Council	Consideration of the recommendations in the Secretary-General's report entitled "Improving the capacity of the United Nations for peacekeeping" (S/26450 and Add.1 and 2), including factors to be taken into account when considering new peacekeeping operations, and increased communications between the Council and troop-contributing countries.
S/PRST/1994/62 of 4 November 1994 Statement by the President of the Security Council	Procedures for meetings between troop-contributing countries, Council members and the Secretariat. Inclusion of expected schedule of meetings with troop-contributing countries in the Council's monthly tentative forecast of work and time and venue of those meetings in the *Journal*. Superseded by S/PRST/1996/13.

[a] The documents in this section must be read in the light of resolution 1353 (2001), annex II, which makes provision for the format, procedures and documentation of meetings with troop-contributing countries.

S/PRST/1996/13 of 28 March 1996 Statement by the President of the Security Council	Enhanced procedures for meetings between troop-contributing countries, Council members and the Secretariat. Retains inclusion of meetings with troop-contributing countries in the monthly tentative forecast of work and the *Journal* and in the annual report.
S/1998/1016 of 30 October 1998 Note by the President of the Security Council	Circulation of statements by troop-contributing countries and the Secretariat's briefing notes at meetings with troop-contributing countries as well as weekly briefing notes on field operations to troop-contributing countries. Invitation to relevant United Nations bodies and agencies and other Member States to meetings with troop-contributing countries as appropriate.
S/PRST/2001/3 of 31 January 2001 Statement by the President of the Security Council	Implementation of resolution 1327 (2000), S/PRST/1996/13 and S/PRST/1994/22. Establishment of a Working Group of the Whole on United Nations Peacekeeping Operations, to address both generic peacekeeping issues relevant to the responsibilities of the Council and technical aspects of individual peacekeeping operations.
S/2002/56 of 14 January 2002 Note by the President of the Security Council	Joint meetings of the Security Council Working Group on Peacekeeping Operations and troop-contributing countries as an additional mechanism for strengthening cooperation with troop-contributing countries on specific peacekeeping operations.
S/2002/964 of 27 August 2002 Note by the President of the Security Council	Criteria for participation in private meetings of the Council and consultation meetings with troop-contributing countries under resolution 1353 (2001), annex II, sections A and B.

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Fifty-seventh session
Item 67 (s) of the provisional agenda*
General and complete disarmament

Nuclear disarmament

Note by the Secretary-General**

1. At its fifty-sixth session, the General Assembly adopted its resolution 56/24 R, entitled "Nuclear disarmament", in paragraph 17 of which it requested the Secretary-General to submit a report to the Assembly at its fifty-seventh session on the implementation of the resolution. The present note is submitted in compliance with that request.

2. A number of initiatives have been taken at the unilateral, bilateral and multilateral levels aimed at reducing existing nuclear arsenals and at further strengthening and reinforcing the nuclear non-proliferation regime. In this context, the Secretary-General welcomes the signing of the Treaty on Strategic Offensive Reductions by the United States of America and the Russian Federation on 24 May 2002. It is a positive step in the direction of nuclear disarmament and contributes to the fulfilment of the obligations of the two countries as nuclear-weapon States under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). Such reductions should be implemented in a transparent and verifiable manner. On 27 June 2002, the leaders of the Group of Eight (G-8) nations agreed on a Global Partnership against the Spread of Weapons and Materials of Mass Destruction. Under this initiative, the G-8 nations will support specific cooperation projects, initially in the Russian Federation, to address non-proliferation, disarmament, counter-terrorism and nuclear safety issues.

3. Arms control and disarmament agreements play an essential role in the pursuit of nuclear disarmament. Strengthening such agreements and thus making further progress towards nuclear disarmament require actions at all levels. Several multilateral agreements still await either entry into force or effective implementation and universality. To this end, the Conference on Facilitating the Entry into Force of the Comprehensive Nuclear-Test-Ban Treaty (CTBT) was convened in New York from 11 to 13 November 2001. Its Final Declaration reaffirmed strong support for the CTBT and called for ratification of the Treaty, especially by those States whose ratification is needed for the Treaty to enter into force. The Preparatory Committee for the 2005 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) held its first session in New York from 8 to 19 April 2002. The States parties reaffirmed that the NPT was the cornerstone of the global non-proliferation regime and the essential foundation for the pursuit of nuclear disarmament. They further recognized that in the current international climate, where security and stability continued to be challenged, both globally and regionally, by the proliferation of weapons of mass destruction and of their means of delivery, preserving and strengthening the Treaty was vital to peace and security. The Secretary-General commends the

* A/57/150.

** Finalization of the report was dependent on the outcome of the 2002 session of the Conference on Disarmament.

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commitment of the States parties to the effective implementation of the objectives of the Treaty, the decisions and the resolution of the 1995 Review and Extension Conference and the Final Document of the 2000 Review Conference, adopted by consensus.

4. Regrettably, the Conference on Disarmament continues to be unable to make full use of its potential as the single multilateral disarmament negotiating body. Despite proposals made to bridge the divergent views and interests of member States, the Conference on Disarmament could not break the impasse during its 2002 session to reach an agreement on a substantive programme of work. The Secretary-General calls upon the States members of the Conference on Disarmament to renew their efforts in seeking agreement on the outstanding issues.